

Reissue (T138)

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To the 8th Department [OTDEL].

MUSE [MUZA][1] reports:

1. According to the information of the Head of the "Secret Funds"[a] department [OTDEL] of IZBA[11], Emerson BIGELOW [BAJGLAU], the ISLANDERS [OSTROVITYANE][111] without the knowledge of the TOWNSMEN [GOROZHANE][iv] have purchased several million Portuguese escudos[b] to help the Polish government in exile. BIGELOW declares that he got this information from the Polish COMPETITORS [KONKURENTY][v].

2. The North European Department [OTDEL] of the Secret Intelligence Branch[a] of IZBA closely watches the movement of our money in Europe. On instructions of the BANK[vi] IZBA is trying to ascertain whether NEGRIN is receiving money from SMYRNA[vii][SMIRNA]. The BANK considers that the position as stated by NEGRIN with regard to the Spanish Junta serves only as cover for a different kind of activity on the instructions of SMYRNA. An agent of IZBA, Colonel GIL[a], who has deeply infiltrated into Spanish emigré circles, reported to his superiors [RUKOVODSTVO] that NEGRIN receives from SMYRNA a considerable sum of money. According to another report which has reached IZBA, CASADA [KASADA] is supported by a woman working for the COMPETITORS of the ISLAND [OSTROV][viii].

3. According to the opinion of a worker of the Rumanian section [OTDELENIE] of IZBA the Rumanian Government is preparing for peace talks with SMYRNA wich apparently

[8 groups unrecoverable]

stopped the issue to Germans of exit visas with the exception of diplomatic ones.

According to the information of the same worker the Rumanians are receiving gas masks from the Germans in exchange for other commodities. In his opinion this fact confirms the Germans' intention to use gas against the Red Army. For some time sealed railway cars have been leaving for Rumania with a directive forbidding them to be opened until HITLER's personal instructions are received.

No.520
03 July

MAY[MAJ][1x]

~~TOP SECRET DINAR~~ VENONA

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T.N.: [a] Given in Latin alphabet.

[b] Given as "escudas" in Latin alphabet.

Comments: [i] MUZA: not identified.

[ii] IZBA: the Office of Strategic Services (O.S.S.).

[iii] OSTROVITYANE: the British.

[iv] GOROZHANE. the Americans.

[v] KONKURENTY: members of a non-Soviet intelligence organization.

[vi] BANK: U.S. State Department.

[vii] SMIRNA: MOSCOW.

[viii] OSTROV: Great Britain.

[ix] MAJ: Stepan APRESYAN.

23 April 1965

~~TOP SECRET DINAR~~ VENONA